

TOWNSHIP OF JORDAN
ANTRIM COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

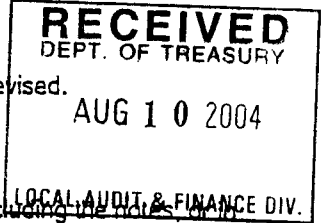
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Jordan Township	County Antrim
Audit Date 3/31/04	Opinion Date 6/17/04	Date Accountant Report Submitted to State: 8/6/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller, Smith & Alexander LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature Rachel Trisch			

TOWNSHIP OFFICIALS

SUPERVISOR

JOSEPH HANEY

CLERK

LUCILLE LERCEL

TREASURER

SUSAN MEADS

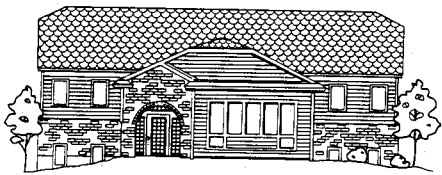
TRUSTEES

DARWIN MORRIS

RICHARD DJEROM

JORDAN TOWNSHIP
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Keskin, Cook, Miller, Smith & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

June 17, 2004

To the Township Board
Jordan Township
Antrim County, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of the Township of Jordan, as of and for the year ended March 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Township of Jordan as of March 31, 2004, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of March 31, 2004.

The management's discussion and analysis on pages 3-5 and budgetary comparison information on pages 22-23 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

K. K. Cook Miller Smith; also UP
KESKINE, COOK, MILLER, SMITH & ALEXANDER, LLP

Jordan Township

Antrim County

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Jordan Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2004. Please read it in conjunction with the financial statements that immediately follow this section.

Financial Highlights

Our financial status remained stable over the last year.

Overall revenues were approximately \$95,000, of which \$3,000 is classified as program revenues, and \$92,000 is classified as general revenues (consisting primarily of state shared revenues and property taxes). Total revenues have decreased slightly due to the cutbacks in state shared revenue. Overall expenses totaled approximately \$67,000, which is consistent with the prior year. The activities of the Township have remained the same.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities. The remaining statements are fund financial statements, which focus on the detailed activities of the general fund (the only fund of the Township).

The notes to the financial statements explain some of the information in the statements and provide more detailed data. Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

Government-Wide Statements

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The Statement of Net Assets includes all of the Township's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities and this is one method to measure the Township's financial health or position.

Over time, increases or decreases in an entity's net assets is an indicator of whether financial position is improving or deteriorating.

To assess overall health of an entity, you may also have to consider tax base changes and other various economic conditions.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's funds. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The Township has the following kinds of funds:

Governmental Funds: All of the entity's activities are included in one fund, a general fund, classified in the governmental fund category. This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the government-wide statements and the fund statements are disclosed to explain the difference between them.

General fund revenues consist primarily of property taxes and state shared revenues. Expenditures consist of general government activities, fire protection, road repair and maintenance, and clean-up day services.

Financial Analysis of the Township as a Whole

Net Assets - the Township's net assets increased by \$28,148 during the year ended March 31, 2004 totaling at year-end \$156,201. The positive change in net assets is due primarily to an increase in property tax dollars, and reimbursements from the State of Michigan for tax collection services.

Capital Asset and Long-Term Debt Activity

The Township purchased no new capital asset items during the year. Depreciation expense totaled \$555.


The Township has no outstanding long-term debt.

Known Factors affecting Future Operations

None.

Contacting Township Management

This financial report is designed to provide our taxpayers, creditors and investors with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have questions concerning this report, please contact any member of the Township Board.



Joseph Haney, Supervisor

**TOWNSHIP OF JORDAN
STATEMENT OF NET ASSETS
MARCH 31, 2004**

ASSETS

Current Assets:

Cash and Investments	\$ 146,800
Property Taxes Receivable - Due from County	3,488
	<hr/>
Total Current Assets	150,288

Non-Current Assets:

Property, Plant and Equipment	17,770
Accumulated Depreciation	(11,857)
	<hr/>
Total Non-Current Assets	5,913
	<hr/>
Total Assets	156,201

NET ASSETS

Invested in Capital Assets, Net of Related Debt	5,913
Unrestricted	150,288
	<hr/>
Total Net Assets	\$ 156,201

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

	P R O G R A M R E V E N U E S				NET (EXPENSE) AND REVENUE AND CHANGE IN NET ASSETS TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Township Administration	\$ (24,411)	\$ 3,182	\$ -	\$ -	\$ (21,229)
Assessing	(7,070)	-	-	-	(7,070)
Building and Grounds	(3,814)	-	-	-	(3,814)
Cemetery	(786)	200	-	-	(586)
Community Promotion	(2,821)	-	-	-	(2,821)
Fire Protection	(12,823)	-	-	-	(12,823)
Road Repair and Maintenance	(15,113)	-	-	-	(15,113)
Total Governmental Activities	(66,838)	3,382	-	-	(63,456)
GENERAL REVENUES					
Property Taxes					20,253
Property Tax Administration Fee					5,602
State of Michigan Revenue Sharing (not restricted to specific purpose)					62,206
Swamp Tax					3,187
Interest Earnings					356
Total General Revenues					91,604
CHANGE IN NET ASSETS					28,148
NET ASSETS - BEGINNING OF YEAR					128,053
NET ASSETS - END OF YEAR					\$ 156,201

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
BALANCE SHEET
GOVERNMENTAL FUND
MARCH 31, 2004**

ASSETS

Cash and Investments	\$ 146,800
Property Taxes Receivable - Due from County	3,488
	<hr/>
Total Assets	<hr/> 150,288 <hr/>

FUND EQUITY

Fund Balance	\$ 150,288
	<hr/> <hr/>

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2004**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES (PER BALANCE SHEET - PAGE 8)	\$ 150,288
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Amounts reported for governmental activities in the Statement of
Net Assets (page 6) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not used in the funds	5,913
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES (PER STATEMENT OF NET ASSETS - PAGE 6)	\$ 156,201
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See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED MARCH 31, 2004**

REVENUES

Taxes and Assessments	\$	23,477
State Shared Revenues and Reimbursements		64,434
Charges for Services		5,978
Interest		356
Other		742
Total Revenues		<u>94,987</u>

EXPENDITURES

General Government	35,527
Public Safety	12,823
Highways and Streets	15,113
Cultural	70
Health and Welfare	2,751
Total Expenditures	<u>66,284</u>

Excess of Revenues Over Expenditures	28,703
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Fund Balance - Beginning of Year	<u>121,585</u>
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Fund Balance - End of Year	<u><u>\$ 150,288</u></u>
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See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004**

**CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL
FUNDS - PAGE 10**

\$ 28,703

Amounts reported for governmental activities in the Statement of
Activities (page 7) are different because:

Depreciation expense is recorded in the government-wide
statements but not the fund financial statements

(555)

**CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES -
PER STATEMENT OF ACTIVITIES - PAGE 7**

\$ 28,148

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2004**

	ASSETS	
Cash		\$ -
		<hr/>
	LIABILITIES	
Due to Other Governments		-
		<hr/>
	NET ASSETS	
Net Assets Held in Trust for Other Governments		\$ -
		<hr/> <hr/>

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED MARCH 31, 2004**

ADDITIONS

Property Taxes, Interest, and Penalties Collected for JordanTownship	\$ 24,748
Property Taxes, Interest, and Penalties Collected for Other Units of Government	494,192
Total Additions	<u>518,940</u>

DEDUCTIONS

Property Taxes, Interest, and Penalties Paid Out to JordanTownship	24,748
Property Taxes, Interest, and Penalties Paid Out to Other Units of Government	494,192
Total Deductions	<u>518,940</u>

Change in Net Assets	-
Net Assets - Beginning of Year	-
Net Assets - End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE A: ENTITY

The Township of Jordan is a general law township of the State of Michigan, located in Antrim County. It operates under an elected board and provides service to its residents in many areas including fire protection services, road repairs and maintenance, cemetery maintenance and cleanup day activities. The criteria established for the reporting entity's financial statements include oversight responsibility, scope of public service and special financing relationships. On this basis, the financial statements include all of the governmental functions of Jordan Township.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of Jordan Township are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of Jordan Township conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Township as a whole, excluding fiduciary activities such as tax collection activities.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. At this time, the Township has no business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental fund:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants and other inter-governmental revenues.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Funds

Fiduciary Funds - These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2003, are recorded as revenue in the current year. The Township's taxable value for the 2003 tax year totaled \$21,004,458.

The tax rates for the year ended March 31, 2004, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.9567 mills per \$1,000

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted on an activity level. Budgets as adopted end on March 31 of each year. There are no carryover budget items.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25 – 40
Land Improvements	10 – 20
Machinery and equipment	5 – 10
Vehicles	5 – 10

Land and construction in progress are not depreciated.

With respect to asset improvements, costs over \$1,000 should be capitalized if:

1. The estimated life of the asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. Other wise, the cost should be expensed as repair and maintenance.

For information describing capital assets, see Note D.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS (CONTINUED)**

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

At this time, the Township has no outstanding long-term debt.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgements of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE C: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of bank accounts and certificates of deposit.

All cash deposits are maintained in financial institutions in Northern Michigan. The Township's deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 – Uncollateralized.

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
General	<u>\$ 148,420</u>	<u>\$ 123,593</u>	<u>\$ -</u>	<u>\$ 24,827</u>	<u>\$ 146,800</u>
Trust & Agency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE D: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>	<u>CAPITAL ASSETS DEPRECIATED</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Machinery & Equipment</u>	<u>Totals</u>
<i>Governmental Activities</i>				
<i>Capital Assets</i>				
Balance, April 1, 2003	\$ 950	\$ 15,785	\$ 1,035	\$ 17,770
Increases	-	-	-	-
Decreases	-	-	-	-
Balance, March 31, 2004	<u>950</u>	<u>15,785</u>	<u>1,035</u>	<u>17,770</u>
<i>Accumulated Depreciation</i>				
Balance, April 1, 2003	-	11,096	206	11,302
Increases	-	451	104	555
Decreases	-	-	-	-
Balance, March 31, 2004	<u>-</u>	<u>11,547</u>	<u>310</u>	<u>11,857</u>
<i>Capital Assets, Net</i>	<u>\$ 950</u>	<u>\$ 4,238</u>	<u>\$ 725</u>	<u>\$ 5,913</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Buildings and Grounds \$555

NOTE E: FUND BALANCE/NET ASSETS

CALCULATION OF BEGINNING NET ASSETS

The Township adopted GASB Statement No. 34 effective April 1, 2003. The following represents the reconciliation of the Townships fund balance as of April 1, 2003, to its beginning net assets balance, as presented in the Statement of Activities, for the year ended March 31, 2004:

Total Fund Balance, April 1, 2003	\$ 121,585
Record capital assets	17,770
Record accumulated depreciation	(11,302)
Beginning Net Assets, April 1, 2003	<u>\$ 128,053</u>

**TOWNSHIP OF JORDAN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE F: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage.

NOTE G: PENSION PLAN

The Township has adopted a defined contribution pension plan for all elected officials and the cemetery sexton of the Township. The plan is a contributory plan calling for mandatory contributions of 5% of compensation by participants and a 5% matching contribution by the Township. Participants can make additional optional contributions of from 1% to 10% not matched by the Township. Vesting is immediate at 100%. Pension expense for the year was \$817. Covered payroll was \$15,003. The Township Clerk is the plan administrator.

TOWNSHIP OF JORDAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Local Sources:				
Current Taxes and Assessments	\$ 19,339	\$ 19,339	\$ 20,266	\$ 927
Property Tax Administration Fee	-	-	5,602	5,602
Swamp Tax	3,187	3,187	3,187	-
Interest on Investments	450	450	356	(94)
Other	300	300	1,142	842
State Sources:				
State Revenue Sharing	55,000	55,000	62,206	7,206
Summer Tax Collection	-	-	2,228	2,228
Reimbursement	-	-	2,228	2,228
Total Revenues	78,276	78,276	94,987	16,711
EXPENDITURES				
General Government:				
Wages:				
Trustee	1,500	1,500	975	525
Supervisor	3,600	3,600	3,600	-
Clerk	4,200	4,200	4,200	-
Assessor	7,500	7,500	6,993	507
Board of Review	1,000	1,000	540	460
Treasurer	6,000	6,000	5,382	618
Fringe Benefits	2,800	2,800	1,228	1,572
Office Supplies	3,450	3,450	2,165	1,285
Education	600	600	145	455
Tax Preparation Fees	2,100	2,100	1,914	186
Legal and Professional	1,500	1,500	300	1,200
Travel	300	300	111	189
Insurance and Bonds	3,000	3,000	2,346	654
Dues	1,500	1,500	401	1,099
Service Contracts	300	800	750	50
Cemetery Maintenance and Supplies	1,200	1,200	786	414
Hall Maintenance and Utilities	8,800	8,800	3,260	5,540
Miscellaneous	150	150	431	(281)
Total General Government	49,500	50,000	35,527	14,473
Public Safety -				
Fire Protection	15,000	15,000	12,823	2,177
Highways and Streets	84,000	84,000	15,113	68,887

TOWNSHIP OF JORDAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Clean-Up Day	4,000	4,000	2,821	1,179
Total Expenditures	152,500	153,000	66,284	86,716
Excess (Deficiency) of Revenues over Expenditures	(74,224)	(74,724)	28,703	103,427
Fund Balance - Beginning of Year	150,224	150,224	121,585	(28,639)
Fund Balance - End of Year	\$ 76,000	\$ 75,500	\$ 150,288	\$ 74,788